PROGRESS OF THE WORKING CLASSES

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B. B. R. A. S.

BOMBAY BRANCH
OF THE
ROYAL ASIATIC SOCIETY.
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THE

PROGRESS OF THE WORKING CLASSES

IN THE LAST HALF CENTURY.

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We are carried back on this occasion very naturally to the origin of the Society, by an impending event which now casts its shadow before—our approaching jubilee, which we may hope will be worthily celebrated. On such an occasion I believe the subject on which I propose to address you to-night will be not unsuitable—a review of the official statistics bearing on the progress of the working classes—the masses of the nation—in the last half century. If you go back to the early records of the Society, you will find that one of the leading objects of its founders was to obtain means by which to study the very question I have selected. Happily we have still with us one or two honoured members associated with the early history of the Society—I may mention Dr. Guy and Sir Rawson Rawson—who will bear me out in what I have stated. I may remind you, moreover, that one of the founders of the Society was Mr. Porter, of the Board of Trade, whose special study for years was much the same, as his well-known book, "The "Progress of the Nation," bears witness; and that in one of the earliest publications of the Society, a volume preceding the regular issue of the *Journal*, he has left a most interesting account of what he hoped might be effected by means of statistics in studying the subject I have put before you, or the more general subject of the "Progress of the Nation." In asking you, therefore, to look for a little at what statistics tell us of the progress of the great masses of the nation, I feel that I am selecting a subject which is connected with the special history of the Society. That it happens for the moment to be attracting a considerable amount of popular attention in connection with sensational politics and sociology, with agitations for land nationalisation and collectivism among pretended representatives of the working classes, is an additional reason for our not neglecting this question; but it is a question to which the Society has a primary claim, and which the authors of the agita-

tions I have referred to would have done well to study from the statistical point of view.

There are two or three ways in which statistics may throw light on such a question as I have put forward. The first and most direct is to see what records there are of the money earnings of the masses now and fifty years ago, ascertain whether they have increased or diminished, and then compare them with the rise or fall in the prices of the chief articles which the masses consume. Even such records would not give a complete answer. It is conceivable, for instance, that while earning more money, and being able to spend it to more advantage, the working classes might be no better off than formerly. There may be masses, as there are individuals, who do not know how to spend. The question of means, however, will carry us some distance on the road to our object. We shall know that the masses must be better off, unless they have deteriorated in the art of spending, a subject of separate inquiry.

In investigating such records, however, we have to recognise that the ideal mode of answering the question is not yet possible. That mode would be to draw up an account of the aggregate annual earnings of the working classes for a period about fifty years ago, and a similar account of the aggregate annual earnings of the same classes at the present time, and then compare the average per head and per family at the different dates. Having thus ascertained the increase or diminution in the amount per head at the different dates, it would be comparatively easy, though not in itself quite so easy a matter as it seems, to ascertain how much less or how much more the increased or diminished sum would buy of the chief articles of the workman's consumption. But no such account that I know of has been drawn up, except for a date about fifteen or sixteen years ago, when Mr. Dudley Baxter and Professor Leone Levi both drew up statements of enormous value as to aggregate earnings, statements which it would now be most desirable to compare with similar statements for the present time, if we could have them, and which will be simply invaluable to future generations. In the absence of such statements, all that can be done is to compare what appear to be the average wages of large groups of the working classes. If it is found that the changes in the money wages of such groups are in the same direction, or almost all in the same direction, then there would be sufficient reason for believing that similar changes had occurred throughout the entire mass. It would be in the highest degree improbable that precisely these changes which could not be traced were in the opposite direction. The difficulty in the way is that in a period of fifty years in a country like England the character of the

work itself changes. The people who have the same names at different times are not necessarily doing the same work. Some forms of work pass wholly away and wholly new forms come into existence. Making all allowances, however, and selecting the best comparative cases possible, some useful conclusion seems obtainable.

What I propose to do first and mainly, as regards this point, is to make use of an independent official record which we have to thank Mr. Porter for commencing. I mean the record of wages, which has been maintained for many years in the Miscellaneous Statistics of the United Kingdom, and which was previously commenced and carried on in the volumes of Revenue and Population Tables which Mr. Porter introduced at the Board of Trade about fifty years ago. It is curious on looking back through these volumes to find how difficult it is to get a continuous record. The wages in one volume are for certain districts and trades; in a subsequent volume, for different districts and trades; the descriptive classifications of the workers are also constantly changing. Picking my way through the figures, however, I have to submit the following particulars of changes in money wages between a period forty to fifty years ago—it is not possible to get the same year in all cases to start from—and a period about two years ago, which may be taken as the present time. This comparison leaves out of account the length of hours of work, which is a material point I shall notice presently.

Comparison of Wages Fifty Years ago and at Present Time.

[From "Miscellaneous Statistics of the United Kingdom," and Porter's "Progress of the Nation."]

Occupation.	Place.	Wages Fifty Years ago, per Week.	Wages Present Time, per Week.	Increase or Decrease, Amount per Cent.
Carpenters	Manchester	24/-	34/-	10/- (+) 42
"	Glasgow	14/-	26/-	12/- (+) 85
Bricklayers	Manchester*	24/-	36/-	12/- (+) 50
"	Glasgow	15/-	27/-	12/- (+) 80
Masons	Manchester*	24/-	29/10	5/10 (+) 24
"	Glasgow	14 -	23/8	9/8 (+) 69
Miners	Staffordshire	2/8†	4 †	1/4 (+) 50
Pattern weavers	Huddersfield	16/-	25/-	9 - (+) 55
Wool scourers	"	17/-	22/-	5/- (+) 30
Mule spinners	"	25/6	30/-	4/6 (+) 20
Weavers	"	12/-	26/	14/- (+) 115
Warpers and beamers	"	17/-	27/-	10 - (+) 58
Winders and reelers	"	6/-	11/-	5/- (+) 83
Weavers (men)	Bradford	8/3	20/6	12/3 (+) 150
Reeling and warping	"	7/9	15/6	7/9 (+) 100
Spinning (children)	"	4/5	11/6	7/1 (+) 1[illegible]

* 1825. † Wages per day.

Thus in all cases where I have found it possible from the apparent similarity of the work to make a comparison there is an enormous apparent rise in money wages ranging from 20 and in most cases from 50 to 100 per cent., and in one or two instances more than 100 per cent.* This understates, I believe, the real extent of the change. Thus, builders' wages are given at the earlier date as so much weekly, whereas in the later returns a distinction is made between summer and winter wages, the hours of labour being less in winter, and as the wages are so much per hour, the week's wages being also less, so that it has been possible to strike a mean for the later period, while it does not appear that anything more is meant at the early period than the usual weekly wage, which would be the summer wage. Without making this point, however, it is obvious that in all cases there is a very great rise.

Before passing from this point there is another and continuous official record I would refer to. Unfortunately it does not go back for much more than thirty years. Still, as far as it goes, the evidence is in the same direction. I refer to the return of merchant seamen's wages annually issued by the Board of Trade, in what is known as the Progress of Merchant Shipping Return. From this return may be derived the following comparison of seamen's wages:—

Comparison of Seamen's Money Wages per Month at 1850 *and the Present Time.*

[From the "Progress of Merchant Shipping Return."]

	1850, Sailing.	Present Time, Steam.	Increase.	
			Amount.	Per Cent.
Bristol	45/-	75/-	30/-	66
Glasgow	45/-	70/-	25/-	55
Liverpool (1)	50/-	67/6	16/6	33
" (2)	50/-	85/-	35/-	70
" (3)	45/-	60/-	15/-	33
" (4)	40/-	50/-	10/-	25
" (5)	42/6	60/-	17/6	40
London (1)	45/-	75/-	30/-	66
" (2)	50/-	77/6	27/6	55
" (3)	45/-	65/-	20/-	45
" (4)	45/-	70/-	25/-	55
" (5)	40/-	67/6	27/6	69
" (6)	40/-	67/6	27/6	69

Here again there is an enormous rise in money wages. This return is specially subject to the observation that money wages are

* The mean of the percentages of increase is over 70.

only part of the wages of seamen, but I assume it is not open to dispute, that with the improvement in our shipping there has been an improvement in the food and lodging of the sailor, quite equal to the improvement in his money wage.

This question of seamen's wages, however, well illustrates the difficulty of the whole subject. Ships are not now navigated by able seamen so much as by engineers and stokers. It would seem that as a class the new men all round are paid better than the able seamen, but I should not press this point; it might well be the case that steam ships as a whole could be worked by an inferior class of labourers as compared with sailing ships, and yet the fact that inferior labour is sufficient for this special trade would be quite consistent with the fact that the whole conditions of modern labour require more skill than the conditions fifty years ago, so that there is more labour relatively at the higher rates than used to be the case.

The comparison, except for seamen's wages, where it has only been possible to go back for about thirty years, is made between a period about fifty years ago and the present time only. It would have complicated the figures too much to introduce intermediate dates. I may state, however, that I have not been inattentive to this point, and that if we had commenced about twenty to twenty-five years ago, we should also have been able to show a very great improvement since that time, while at that date also, as compared with an earlier period, a great improvement would have been apparent. A careful and exhaustive investigation of the records of wages I have referred to, in comparison with the numbers employed in different occupations, as shown by the census reports, would in fact repay the student who has time to make it; and I trust the investigation will yet be made.

The records do not include anything relating to the agricultural labourer, but from independent sources—I would refer especially to the reports of the recent Royal Agricultural Commission—we may perceive how universal the rise in the wages of agricultural labourers has been, and how universal at any rate is the complaint that more money is paid for less work. Sir James Caird, in his "Landed Interest," (p. 65), puts the rise at 60 per cent, as compared with the period just before the repeal of the corn laws, and there is much other evidence to the same effect. The rise in the remuneration of labour in Ireland in the last forty years is also one of the facts which has been conspicuously brought before the public of late. In no other way is it possible to account for the stationariness of rents in Ireland for a long period, notwithstanding the great rise in the prices of the cattle and dairy products which Ireland produces, and which, it has been contended, would have

justified a rise of rents. The farmer and the labourer together have in fact had all the benefit of the rise in agricultural prices.

The next point to which attention must be drawn is the shortening of the hours of labour which has taken place. While the money wages have increased as we have seen, the hours of labour have diminished. It is difficult to estimate what the extent of this diminution has been, but collecting one or two scattered notices I should be inclined to say very nearly 20 per cent. There has been at least this reduction in the textile, engineering, and house-building trades. The workman gets from 50 to 100 per cent. more money, for 20 per cent. less work; in round figures, he has gained from 70 to 120 per cent. in fifty years in money return. It is just possible of course that the workman may do as much or nearly as much in the shorter period as he did in his longer hours. Still there is the positive gain in his being less time at his task, which many of the classes still tugging lengthily day by day at the oar would appreciate. The workman may have been wise or unwise in setting much store by shorter hours in bettering himself, but the shortening of the hours of labour is undoubtedly to be counted to the good as well as the larger money return he obtains.

We come then to the question of what the changes have been in the prices of the chief articles of the workman's consumption. It is important, to begin with, that as regards prices of commodities generally, there seems to be little doubt things are much the same as they were forty or fifty years ago. This is the general effect of the inquiries which have been made first as to the depreciation of gold consequent on the Australian and Californian gold discoveries, and next as to the appreciation of gold which has taken place within the last twenty years, consequent on the new demands for gold which have arisen, and the falling off in the supply as compared with the period between 1850 and 1860. It would burden us too much to go into these inquiries on an occasion like the present, and therefore I only take the broad result. This is that while there was a moderate rise of prices all round between the years 1847-50, just before the new gold came on the market, and the year 1862, when Mr. Jevons published his celebrated essay, a rise not exceeding about 20 per cent., yet within the last twenty years this rise has disappeared, and prices are back to the level, or nearly to the level, of 1847-50. The conclusion is that, taking things in the mass, the sovereign goes as far as it did forty or fifty years ago, while there are many new things in existence at a low price which could not then have been bought at all. If, in the interval, the average money earnings of the working classes

have risen between 50 and 100 per cent., there must have been an enormous change for the better in the means of the working man, unless by some wonderful accident it has happened that his special articles have changed in a different way from the general run of prices.

But looking to special articles, we find that on balance prices are lower and not higher. Take wheat. It is notorious that wheat, the staff of life, has been lower on the average of late years than it was before the free trade era. Even our fair trade friends, who find it so difficult to see very plain things, were forced to allow, in that wonderful manifesto which was published in the "Times" some weeks back, that wheat is about 5*s.* a quarter cheaper on the average than it was. The facts, however, deserve still more careful statement to enable us to realise the state of things fifty years ago and at the present time. The fair trade statement, if I remember rightly, showed an average fall of 5*s.* in the price of wheat, comparing the whole period since the repeal of the Corn Laws with a long period before. This may have been right or wrong for the purpose in hand, but for our present purpose, which is to compare the present period with that of half a century ago, it is important to note that it is mainly within the last ten years the steadily low price of wheat has been established. Comparing the ten years before 1846 with the last ten years, what we find is that while the average price of wheat in 1837-46 was 58*s.* 7*d.*, it was 48*s.* 9*d.* only in the last ten years—a reduction not of 5*s.* merely, but 10*s.* The truth is, the repeal of the Corn Laws was not followed by an *immediate* decline of wheat on the average. The failure of the potato crop, the Crimean War, and the depreciation of gold, all contributed to maintain the price, notwithstanding free trade, down to 1862. Since then steadily lower prices have ruled; and when we compare the present time with half a century ago, or any earlier part of the century, these facts should be remembered.

There is a still more important consideration. Averages are very good for certain purposes, but we all know in this place that a good deal sometimes turns upon the composition of the average,—upon whether it is made up of great extremes, or whether the individual elements depart very little from the average. This is specially an important matter in a question of the price of food. The average of a necessary of life over a long period of years may be moderate, but if in some years the actual price is double what it is in other years, the fact of the average will in no way save from starvation at certain periods the workman who may have a difficulty in making both ends meet in the best of times. What we find then is that fifty years ago the extremes were disastrous compared with

what they are at the present time. In 1836 we find wheat touching 36*s.*; in 1838, 1839, 1840, and 1841, we find it touching 78*s.* 4*d.*, 81*s.* 6*d.*, 72*s.* 10*d.*, and 76*s.* 1*d.*; in all cases double the price of the lowest year, and nearly double the "average" of the decade; and in 1847 the price of 102*s.* 5*d.*, or three times the price of the lowest period, is touched. If we go back earlier we find still more startling extremes. We have such figures as 106*s.* 5*d.* in 1810; 126*s.* 6*d.* in 1812; 109*s.* 9*d.* in 1813, and 96*s.* 11*d.* in 1817; these figures being not merely the extremes touched, but the actual averages for the whole year. No doubt in the early part of the century the over-issue of inconvertible paper accounts for part of the nominal prices, but it accounts for a very small part. What we have to consider then is, that fifty years ago the working man with wages, on the average, about half, or not much more than half, what they are now, had at times to contend with a fluctuation in the price of bread which implied sheer starvation. Periodic starvation was, in fact, the condition of the masses of working men throughout the kingdom fifty years ago, and the references to the subject in the economic literature of the time are most instructive. M. Quetelet, in his well-known great book, points to the obvious connection between the high price of bread following the bad harvest of 1816, and the excessive rate of mortality which followed. To this day you will find tables in the registrar-general's returns which descend from a time when a distinct connection between these high prices of bread and excessive rates of mortality was traced. But within the last twenty years what do we find? Wheat has not been, on the average, for a whole year so high as 70*s.*, the highest averages for any year being 64*s.* 5*d.* in 1867, and 63*s.* 9*d.* in 1868; while the highest average of the last ten years alone is 58*s.* 8*d.* in 1873; that is only about 10*s.* above the average of the whole period. In the twenty years, moreover, the highest price touched at any period was just over 70*s.*, viz. 70*s.* 9*d.* in 1867, and 74*s.* 7*d.* in 1868; while in the last ten years the figure of 70*s.* was not even touched, the nearest approach to it being 68*s.* 9*d.* in 1877. Thus of late years there has been a *steadily low price*, which must have been an immense boon to the masses, and especially to the poorest. The rise of money wages has been such, I believe, that working men, for the most part, could have contended with extreme fluctuations in the price of bread better than they did fifty years ago. But they have not had the fluctuations to contend with.

It would be useless to go through other articles with the same details. Wheat had quite a special importance fifty years ago, and the fact that it no longer has the same importance—that we have ceased to think of it as people did fifty years ago—is itself

significant. Still, taking one or two other articles, we find, on the whole, a decline :—

Prices of Various Articles about Fifty Years ago and at Present Time.

	1839-40.	Present Time.
	s. *d.*	*s.* *d.*
Sugar ..... per cwt.	68 8*	21 9†
Cotton cloth exported ..... per yard	– 5⅜	– 3¼
	(1840.)	(1882.)
Inferior beasts ..... per 8 lbs.	3 1	4 3½
Second class ..... „	3 6	4 9½
Third „ ..... „	3 11¼	5 7½
Inferior sheep ..... „	3 5	5 7
Second class ..... „	3 10¼	6 1½
Large hogs ..... „	4 3½	4 6

* Porter's "Progress of the Nation," p. 543. In the paper as read to the Society I gave the price without the duty, but including the duty the price was what is now given here. The average price with the duty of the ten years ending 1840 was 58*s.* 4*d.*

† Average price of raw sugar imported.

I should have liked a longer list of articles, but the difficulty of comparison is very serious. It may be stated broadly, however, that while sugar and such articles have declined largely in price, and while clothing is also cheaper, the only article interesting the workman much which has increased in price is meat, the increase here being considerable. The "only" it may be supposed covers a great deal. The truth is, however, that meat fifty years ago was not an article of the workman's diet as it has since become. He had little more concern with its price than with the price of diamonds. The kind of meat which was mainly accessible to the workman fifty years ago, viz., bacon, has not, it will be seen, increased sensibly in price.

Only one question remains. Various commodities, it may be admitted, have fallen in price, but house rent, it is said, has gone up. We have heard a good deal lately of the high prices of rooms in the slums. When we take things in the mass, however, we find that however much some workmen may suffer, house rent in the aggregate cannot have gone up in a way to neutralise to any serious extent the great rise in the money wages of the workman. It appears that in 1834, when the house duty, which had existed up to that date, was abolished, the annual value of dwelling houses charged to duty was 12,603,000*l.*, the duty being levied on all houses above 10*l.* rental in Great Britain. In 1881-82 the annual value of dwelling houses charged to duty, the duty being levied on houses above 20*l.*

only, was 39,845,000*l.*, while the value of the houses between 10*l.* and 20*l.* was 17,040,000*l.*, making a total of 56,885,000*l.*, or between four and five times the total of fifty years ago. Population, however, in Great Britain has increased from about 16½ millions in 1831, to nearly 30 millions in 1881, or nearly 100 per cent. Allowing for this, the increase in value would be about 32 million pounds, on a total of about 25 million pounds, which may be considered the increased rent which householders above 10*l.* have to pay—the increase being about 130 per cent. Assuming that houses under 10*l.* have increased in proportion, it may be considered that house rents are now 1½ times more than they were fifty years ago. In other words, a workman who paid 3*l.* a year fifty years ago, would now pay 7*l.* 10*s.* Even, however, if rent were a fourth part of the workman's earnings fifty years ago, he would still be much better off at the present time than he was. His whole wages have doubled, while the prices of no part of his necessary consumption, except rent, as we have seen, have increased—on the contrary, they have rather diminished. Say then that the rent, which was a fourth part of his expenditure, has increased 1½ times, while his whole wage has doubled, the account, on a wage of 20*s.* fifty years ago, and 40*s.* now, would stand:—

	Fifty Years ago.		Present Time.	
	s.	*d.*	*s.*	*d.*
Wage	20	–	40	–
Deduct for rent	5	–	12	6
Balance for other purposes	15	–	27	6

—showing still an enormous improvement in the workman's condition.

It may be pointed out, however, that houses are undoubtedly of better value all round than they were fifty years ago. More rent is paid because more capital is in the houses, and they are better houses. It appears also that fifty years ago there were far more exemptions than there are now, rural dwellings particularly being favoured as regards exemption. The increase of rent for the same accommodation, there is consequently reason to believe, has not been nearly so great as these figures would appear to show. It has further to be considered that the whole annual value of the dwelling houses under 10*l.* even now is 17,885,000*l.* only, the number of [illegible],000. This must be a very small proportion of the aggregate earnings of those portions of the working classes who live in houses under 10*l.* rent, and even adding to it the value of all the houses up to 20*l.*, which would bring up the total to

34,925,000*l.*, the proportion would still be very small. On the five million families at least of the working classes in Great Britain, the sum would come to about 7*l.* per family, which is not the main portion of an average working man's expenditure.*

We return then to the conclusion that the increase of the money wages of the working man in the last fifty years corresponds to a real gain. While his wages have advanced, most articles he consumes have rather diminished in price, the change in wheat being especially remarkable, and significant of a complete revolution in the condition of the masses. The increased price in the case of one or two articles—particularly meat and house rent—is insufficient to neutralise the general advantages which the workman has gained. Meat formerly was a very small part of his consumption, and allowing to house rent a much larger share of his expenditure than it actually bore, the increase in amount would still leave the workman out of his increased wage a larger margin than he had before for miscellaneous expenditure. There is reason to believe also that the houses are better, and that the increased house-rent is merely the higher price for a superior article which the workman can afford.

It has to be added to all this that while the cost of government has been greatly diminished to the working man, he gets more from the government expenditure than he formerly did. It would not do to count things twice over, and as the benefit to the working man of diminished taxes has already been allowed for in the lower prices of wheat and sugar, we need say nothing more on this head. But few people seem to be aware how, simultaneously with this reduction of the cost of government, there has been an increase of the expenditure of the government for miscellaneous civil purposes, of all of which the workman gets the benefit. It may be stated broadly that nearly 15 million pounds of the expenditure of the central government for education, for the post office, for inspection of factories, and for the miscellaneous purposes of civil government, is entirely new as compared with fifty years ago. So far as the expenditure is beneficial the masses get something they did not get before at all. It is the same even more markedly with local government. In Great Britain, the annual outlay is now about 60 million pounds, as compared with 20 million pounds fifty years

* It may be convenient to note here that the figures as to dwelling houses which I have made use of are those relating to the Inhabited House Duty. The figures as to houses in the income tax returns include shops and factories as well as dwelling houses, and are not available in a question of house-rent. I have also omitted the question of rates. The rates per pound, however, have not increased as compared with what they were formerly, and it would make no material difference if they were to be included. The workman's payment for rates and rent together cannot have increased more than is here stated for rent.

ago. This 20 million pounds was mainly for poor relief and other old burdens. Now the poor relief and other old burdens are much the same, but the total is swollen by a vast expenditure for sanitary, educational, and similar purposes, of all of which the masses of the population get the benefit. To a great deal of this expenditure we may attach the highest value. It does not give bread or clothing to the working man, but it all helps to make life sweeter and better, and to open out careers even to the poorest. The value of the free library, for instance, in a large city, is simply incalculable. All this outlay the workman has now the benefit of as he had not fifty years ago. To repeat the words I have already used, he pays less taxes, and he gets more—much more—from the Government.*

* With regard to this question of prices, I have been favoured since the delivery of this address with the copy of a letter, dated 11th June, 1881, addressed by Mr. Charles Hawkins, of 27, Savile Row, to the editor of the "Daily News," on the cost *per patient* of the expenditure of St. George's Hospital in 1830 and 1880. The facts stated confirm in an interesting way what is here said as to the cost of articles of the workman's consumption fifty years ago and at the present time. Mr. Hawkins, who was at one time one of the treasurers of the hospital, and therefore speaks with authority, gives the following table and notes:—

"Although each patient costs now 1*s.* 1*d.* less than in 1830, there have been "great alterations in the different items of expenditure, viz.:—

	Cost per Patient.			
	1830.		1880.	
	s.	*d.*	*s.*	*d.*
Meat	18	4	22	2
Bread and flour	10	7	4	1
Wine and spirits	–	10	3	3
Malt liquor	5	5	2	6
Milk	6	2	5	11
Tea and grocery	3	10	3	5
Drugs	16	5	7	11
Coals and wood	10	6	3	10
Laundry	2	10	4	10
Instruments and surgical appliances	1	9	5	2
Staff—officers, servants, nurses	20	3	34	3

"Had wheat cost in 1880 what it did in 1830, 1,884*l.* must have been spent "for bread and flour instead of 738*l.* The cost of port wine in 1830 was 72*l.* per "pipe; in 1880 45*l.* In 1830 many of the patients provided themselves with tea "and sugar. Under the head 'Drugs' is included the cost of leeches; in 1846 "44,000 leeches were used, at a cost of 143*l.*; in 1880 only 425, costing 1*l.* 16*s.* "In 1838 another hospital, treating double the number of patients, used 48,900 "leeches, but in 1880 only 250.

"These items show the great advantage of the reduction of price in some "articles of diet, and the great extra expenditure now necessary for the treatment "of hospital patients, depending on the greater call for additional 'staff,' more "especially for nursing, and an altered mode of treatment of accidents and opera-"tions, as also the greater amount of stimulants now exhibited, &c."

As already anticipated, however, the conclusion thus arrived at only carries us part of the way. Assuming it to have been shown that the masses have more money than they had fifty years ago, and that the prices of the chief articles they consume are cheaper rather than dearer, the question remains whether the condition of the masses has in fact been improved. This can only be shown indirectly by statistics of different kinds, which justify conclusions as to the condition of the people to whom they apply. To such statistics I propose now to draw your attention for a moment. I need hardly say that any evidence they contain as to the condition of the people having actually improved corroborates what has been already said as to their having had the means of improvement in their hands. The evidence is cumulative, a point of material importance in all such inquiries.

The first and the most important statistics on this head are those relating to the length of life among the masses of the nation. Do the people live longer than they did? Here I need not detain you. A very effective answer was supplied last session by Mr. Humphreys, in his able paper on "The Recent Decline in the English Death-Rate."* Mr. Humphreys there showed conclusively that the decline in the death-rate in the last five years, 1876-80, as compared with the rates on which Dr. Farr's English Life Table was based—rates obtained in the years 1838-54—amounted to from 28 to 32 per cent. in males at each quinquennial of the twenty years 5—25, and in females at each quinquennial from 5—35 to between 24 and 35 per cent.; and that the effect of this decline in the death-rate is to raise the mean duration of life among males from 39·9 to 41·9 years, a gain of 2 years in the average duration of life, and among females from 41·9 to 45·3 years, a gain of nearly 3½ years in the average duration of life. Mr. Humphreys also showed that by far the larger proportion of the increased duration of human life in England is lived at useful ages, and not at the dependent ages of either childhood or old age. This little statement is absolutely conclusive on the subject; but we are apt to overlook how much the figures mean. No such change could take place without a great increase in the vitality of the people. Not only have fewer died, but the masses who have lived must have been healthier, and have suffered less from sickness than they did. Though no statistics are available on this point, we must assume that like causes produce like effects; and if the weaker, who would otherwise have died, have been able to survive, the strong must also have been better than they would otherwise have been. From the nature of the figures also the improvement must have been among the masses, and not among a select class whose figures

* See Statistical Society's *Journal*, vol. xlvi, p. 195, &c.

throw up the average. The figures to be affected relate to such large masses of population, that so great a change in the average could not have occurred if only a small percentage of the population had improved in health.

I should like also to point out that the improvement in health actually recorded obviously relates to a transition stage. Many of the improvements in the condition of the working classes have only taken place quite recently. They have not, therefore, affected all through their existence any but the youngest lives. When the improvements have been in existence for a longer period, so that the lives of all who are living must have been affected from birth by the changed conditions, we may infer that even a greater gain in the mean duration of life will be shown. As it is, the gain is enormous. Whether it is due to better and more abundant food and clothing, to better sanitation, to better knowledge of medicine, or to these and other causes combined, the improvement has beyond all question taken place.

The next figures I shall refer to are those well known ones relating to the consumption of the articles which the masses consume. I copy merely the figures in the Statistical Abstract for the years 1840 and 1881 :—

Quantities of the Principal Imported and Exciseable Articles retained for Home Consumption, per Head of the Total Population of the United Kingdom.

		1840.	1881.
Bacon and hams	lbs.	0·01	13·93
Butter	,,	1·05	6·36
Cheese	,,	0·92	5·77
Currants and raisins	,,	1·45	4·34
Eggs	No.	3·63	21·65
Potatoes	lbs.	0·01	12·85
Rice	,,	0·90	16·32
Cocoa	,,	0·08	0·31
Coffee	,,	1·08	0·89
Corn, wheat, and wheat flour	,,	42·47	216·92
Raw sugar	,,	15·20	58·92
Refined sugar	,,	nil	8·44
Tea	,,	1·22	4·58
Tobacco	,,	0·86	1·41
Wine	galls.	0·25	0·45
Spirits	,,	0·97	1·08
Malt	bshls.	1·59	1·91*

* Year 1878.

This wonderful table may speak for itself. It is an obvious criticism that many of the articles are also articles of home production, so that the increase does not show the real increase

of the consumption of the whole population per head. Assuming a stationary production at home, the increased consumption per head cannot be so much as is here stated for the imported article only. There are other articles, however, such as rice, tea, sugar, coffee, tobacco, spirits, wine and malt, which are either wholly imported, or where we have the exciseable figures as well, and they all—with the one exception of coffee—tell a clear tale. The increase in tea and sugar appears especially significant, the consumption per head now being four times in round figures what it was forty years ago. There could be no better evidence of diffused material well-being among the masses. The articles are not such that the increased consumption by the rich could have made much difference. It is the consumption emphatically of the mass which is here in question.

As regards the articles imported, which are also articles of home production, it has, moreover, to be noted that in several of them, bacon and hams, cheese and butter, the increase is practically from nothing to a very respectable figure. The import of bacon and hams alone is itself nearly equal to the estimated consumption among the working classes fifty years ago, who consumed no other meat.

The only other figures I shall mention are those relating to education, pauperism, crime, and savings banks. But I need not detain you here. The figures are so well known that I must almost apologise for repeating them. I only insert them to round off the statement.

As to education, we have practically only figures going back thirty years. In 1851, in England, the children in average attendance at schools aided by parliamentary grants numbered 239,000, and in Scotland 32,000; in 1881 the figures were 2,863,000 and 410,000. If anything is to be allowed at all in favour of parliamentary grants as raising the character of education, such a change of numbers is most significant. The children of the masses are, in fact, now obtaining a good education all round, while fifty years ago the masses had either no education at all or a comparatively poor one. Dropping statistics for the moment, I should like to give my own testimony to an observed fact of social life—that there is nothing so striking or so satisfactory to those who can carry their memories back nearly forty years, as to observe the superiority of the education of the masses at the present time to what it was then. I suppose the most advanced common education forty or fifty years ago was in Scotland, but the superiority of the common school system there at the present day to what it was forty years ago is immense. If Scotland has gained so much, what must it have been in England where there was no national system

fifty years ago at all? Thus at the present day not only do we get all children into schools, or nearly all, but the education for the increased numbers is better than that which the fortunate few alone obtained before.

Next as to crime, the facts to note are that rather more than forty years ago, with a population little more than half what it is now, the number of criminal offenders committed for trial (1839) was 54,000; in England alone 24,000. Now the corresponding figures are, United Kingdom 22,000, and England 15,000; fewer criminals by a great deal in a much larger population. Of course the figures are open to the observation that changes in legislation providing for the summary trial of offences that formerly went to the assizes may have had some effect. But the figures show so great and gradual a change, that there is ample margin for the results of legislative changes, without altering the inference that there is less serious crime now in the population than there was fifty years ago. Thus an improvement as regards crime corresponds to the better education and well-being of the masses.

Next as regards pauperism; here again the figures are so imperfect that we cannot go back quite fifty years. It is matter of history however that pauperism was nearly breaking down the country half-a-century ago. The expenditure on poor relief early in the century and down to 1830–31 was nearly as great at times as it is now. With half the population in the country that there now is, the burden of the poor was the same. Since 1849, however, we have continuous figures, and from these we know that, with a constantly increasing population, there is an absolute decline in the amount of pauperism. The earliest and latest figures are:—

Paupers in Receipt of Relief in the undermentioned Years at given Dates.

	1849.	1881.
England	934,000	803,000
Scotland	122,000*	102,000
Ireland	620,000	109,000
United Kingdom	1,676,000	1,014,000

* 1859.

Thus in each of the three divisions of the United Kingdom there is a material decline, and most of all in Ireland, the magnitude of the decline there being no doubt due to the fact that the figures are for a period just after the great famine. But how remote we seem to be from those days of famine.

Last of all we come to the figures of savings banks. A fifty

years' comparison gives the following results for the whole kingdom:—

	1831.	1881.
Number of depositors	429,000	4,140,000
Amount of deposits	£13,719,000	£80,334,000
„ per depositor	£32	£19

An increase of ten-fold in the number of depositors, and of five-fold and more in the amount of deposits! It seems obvious from these figures that the habit and means of saving have become widely diffused in these fifty years. The change is of course in part due to a mere change in the facilities offered for obtaining deposits; but allowing ample margin for the effect of increased facilities, we have still before us evidence of more saving among the masses.

There is yet one other set of statistics I should like to notice in this connection, those relating to the progress of industrial and provident co-operative societies in England and Wales. These I extract from the special appendix to the "Co-operative Wholesale "Society's Annual Almanac and Diary" for the present year (pp. 81 and 82). Unfortunately the figures only go back to 1862, but the growth up to 1862 appears to have been very small. Now, however, most material advance is shown:—

	1862.	1881.
Number of members	90,000	525,000
Capital—	£	£
Share	428,000	5,881,000
Loan	55,000	1,267,000
Sales	2,333,000	20,901,000
Net profit	165,000	1,617,000

Such figures are still small compared with what we should like to see them, but they at least indicate progress among the working classes, and not retrogression or standing still.

To conclude this part of the evidence, we find undoubtedly that in longer life, in increased consumption of the chief com-

modities they use, in better education, in greater freedom from crime and pauperism, and in increased savings, the masses of the people are better, immensely better, than they were fifty years ago. This is quite consistent with the fact, which we all lament, that there is a residuum still unimproved, but apparently a smaller residuum, both in proportion to the population and absolutely, than was the case fifty years ago; and with the fact that the improvement, measured even by a low ideal, is far too small. No one can contemplate the condition of the masses of the people without desiring something like a revolution for the better. Still, the fact of progress in the last fifty years—progress which is really enormous when a comparison is made with the former state of things—must be recognised. Discontent with the present must not make us forget that things have been so much worse.

But the question is raised: Have the working classes gained in proportion with others by the development of material wealth during the last fifty years? The question is not one which would naturally excite much interest among those who would answer the primary question as to whether the working classes have gained or not, as I have done, in the affirmative. Where all are getting on, it does not seem very practical in those who are getting on slowly to grudge the quicker advance of others. Usually those who put the question have some vague idea that the capitalist classes, as they are called, secure for themselves all the benefits of the modern advance in wealth; the rich, it is said, are becoming richer, and the poor are becoming poorer. It will be convenient then to examine the additional question specifically. If the answer agrees with what has already been advanced, then, as nobody doubts that material wealth has increased, all will be forced to admit that the working classes have had a fair share.

At first sight it would appear that the enormous figures of the increase of capital, which belong, it is assumed, to the capitalist classes, are inconsistent with the notion of the non-capitalist classes having had a fair share. In the paper which I read to the Society four years ago, on "The Recent Accumulations of Capital in the United Kingdom," the conclusion at which I arrived was that in the ten years 1865-75 there had been an increase of 42 per cent. in the capital of the nation, and 27 per cent. in the amount of capital per head, that is allowing for the increase of population. Going back to 1843, which is as far as we can go back with the income tax returns, we also find that since then the gross assessment, allowing for the income from Ireland not then included in the returns, has increased from 280 million pounds to 577 million pounds, or more than 100 per cent., in less than fifty

years. Assuming capital to have increased in proportion, it is not to be wondered at that the impression of a group of people called the capitalist classes getting richer and richer while the mass remain poor or become poorer, should be entertained. Allowing for the increase of population, the growth of capital and income tax income are really much smaller than the growth of the money income of the working classes, which we have found to be something like 50 to 100 per cent. and more per head in fifty years, but the impression to the contrary undoubtedly exists, and is very natural.

The error is partly in supposing that the capitalist classes remain the same in number. This is not the case; and I have two pieces of statistics to refer to which seem to show that the capitalist classes are far from stationary, and that they receive recruits from period to period—in other words, that wealth, in certain directions, is becoming more diffused, although it may not be diffusing itself as we should wish.

The first evidence I refer to is that of the probate duty returns. Through the kindness of the Commissioners of Inland Revenue, I am able to put before you a statement of the number of probates granted in 1881, and of the amounts of property "proved," with which we may compare similar figures published by Mr. Porter in his "Progress of the Nation" for 1838. I am sorry to say Mr. Porter's figures for 1838 are far more detailed than those I am able to give; a more minute comparison would be most instructive; but I was unfortunately too late in applying to the Commissioners of Inland Revenue for the details which I found they were most willing to give. However, the statement they supplied to me, and the comparison which can thus be made, seem most instructive. They are as follows:—

Statement of Number of Probates granted in 1882, *with Amounts of Property Proved, and Average per Probate* [*from figures supplied by the Commissioners of Inland Revenue*]; *and comparison with a similar statement for* 1838. [From Porter's "Progress of the Nation," p. 600 *et seq.*]

	Number of Probates.		Amount of Property.		Amount of Property per Estate.	
	1882.	1838.	1882.	1838.	1882.	1838.
			£	£	£	£
England	45,555	21,900	118,120,961	17,601,755	2,600	2,170
Scotland	5,221	1,272	13,695,314	2,817,260	2,600	2,200
Ireland	4,583	2,196	8,544,579	4,465,240	1,900	2,000
United Kingdom	55,359	25,368	140,360,854	54,887,255	2,500	2,160

Thus, in spite of the enormous increase of property passing at death, amounting to over 150 per cent., which is more than the increase in the income tax income, the amount of property per estate has not sensibly increased. The increase of the number of estates is more than double, and greater therefore than the increase of population, but the increase of capital per head of the capitalist classes is in England only 19 per cent., and in the United Kingdom only 15 per cent. Curiously enough, I may state, it is hardly correct to speak of the capitalist classes as holding this property, as the figures include a small percentage of insolvent estates; but allowing all the property to belong to the capitalist classes, still we have the fact that those classes are themselves increasing. They may be only a minority of the nation, though I think a considerable minority, as 55,000 estates passing in a year represent from 1,500,000 to 2,000,000 persons as possessing property subject to probate duty; and these figures, it must be remembered, do not include real property at all. Still, small or large as the minority may be, the fact we have before us is that in the last fifty years it has been an increasing minority, and a minority increasing at a greater rate than the increase of general population. Wealth to a certain extent is more diffused than it was.

If I had been able to obtain more details, it would have been possible to specify the different sizes of estates and the different percentages of increase, from which it would not only have appeared whether the owners of personal property were increasing in number, but whether the very rich were adding to their wealth more than the moderately rich or *vice versâ*. But it is something to know at least that there are more owners. I trust the Commissioners of Inland Revenue will see their way in their next report to give more details on this very interesting point.*

Before passing on I should like to add a caution which may not be necessary in this room, but which may be needed outside. All such figures must be taken with a good deal of qualification, owing to variations of detail in the method of levying the duty at different times, variations in the character of the administration, and the like causes. I notice, for instance, an unusually remarkable increase both in the number of owners and amount of property passing in Scotland; this last fact, I believe, having already given rise to the inference that there has been something unexampled in the increase

* It appears that the increase in the number of probates for less than 1,000*l.* is from 18,490 to 41,278, or about 120 per cent.; the average value per probate being much the same; while the increase of the number of probates for more than 1,000*l.* is from 6,878 to 12,629, or over 80 per cent., and the average value per probate has increased from 7,150*l.* to 9,200*l.*

of personal property in Scotland. The explanation appears to be, however, that the increase of property in Scotland is, to some extent, only apparent, being due partly, for instance, to the fact that by Scotch law mortgages are real property, whereas in England they are personal property, so that it was necessary, in the course of administering the tax, to pass a special law enabling the Commissioners of Inland Revenue to bring Scotch mortgages into the category of personal property.* This is only one illustration of the caution with which such figures must be used. Taking them in the lump, and not pressing comparisons between the three divisions of the United Kingdom, or any other points of detail which might be dangerous, we appear to be safe in the main conclusion that the number of owners of personal property liable to probate duty has increased in the last fifty years more than the increase of population, and that on the average these owners are only about 15 per cent. richer than they were, while the individual income of the working classes has increased from 50 to 100 per cent.

The next piece of statistics I have to refer to is the number of separate assessments in that part of Schedule D known as Part I, viz., Trades and Professions, which excludes public companies and their sources of income, where there is no reason to believe that the number of separate assessments corresponds in any way to the number of individual incomes. Even in Part I there can be no exact correspondence, as partnerships make only one return, but in comparing distant periods, it seems not unfair to assume that the increase or decrease of assessments would correspond to the increase or decrease of individual incomes. This must be the case unless we assume that in the interval material differences were likely to arise from the changes in the number of partnerships to which individuals belonged, or from partnerships as a rule comprising a greater or less number of individuals. Using the figures with all these qualifications, we get the following comparison :—

* See "Special Report of Commissioners of Inland Revenue," 1870, vol. i, p. 99. The law on this and other points was altered by 23 and 24 Vict., cap. 80.

Number of Persons at different Amounts of Income Charged under Schedule D in 1843 *and* 1879-80 *compared [in England].**

£	£	1843.	1879-80.
150 and under	200....	39,366	130,101
200 „	300....	28,370	88,445
300 „	400....	13,429	39,896
400 „	500....	6,781	16,501
500 „	600....	4,780	11,317
600 „	700....	2,672	6,894
700 „	800....	1,874	4,054
800 „	900....	1,442	3,595
900 „	1,000....	894	1,396
1,000 „	2,000...	4,228	10,352
2,000 „	3,000....	1,235	3,131
3,000 „	4,000....	526	1,430
4,000 „	5,000....	339	758
5,000 „	10,000....	493	1,439
10,000 „	50,000....	200	785
50,000 and upwards	....	8	68
Total	.....	106,637	320,162

* The figures for 1843 cannot be given for either Scotland or Ireland.

Here the increase in all classes, from the lowest to the highest, is between two and three times, or rather more than three times, with the exception of the highest class of all, where the numbers, however, are quite inconsiderable. Again a proof, I think, of the greater diffusion of wealth so far as the assessment of income to income tax under Schedule D may be taken as a sign of the person assessed having wealth of some kind, which I fear is not always the case. If the owners of this income, at least of the smaller incomes, are to be considered as not among the capitalists, but among the working classes—a very arguable proposition—then the increase of the number of incomes from 150*l.* up to say 1,000*l.* a-year, is a sign of the increased earnings of working classes, which are not usually thought of by that name. The increase in this instance is out of all proportion to the increase of population.

In giving these figures I have omitted the incomes under 150*l.* There is quite a want of satisfactory data for any comparison, I think, except as regards incomes actually subject to assessment, and the data at the beginning of the period are specially incomplete.

Whichever way we look at the figures therefore we have this result, that while the increase of personal property per head of the capitalist class, according to the probate returns, is comparatively small, being only about 15 per cent., yet there is an increase of the number of people receiving good incomes from trades and professions out of all proportion to the increase of population. We

cannot but infer from this that the number of the moderately rich is increasing, and that there is little foundation for the assertion that the rich are becoming richer. All the facts agree. The working classes have had large additions to their means: capital has increased in about equal ratio; but the increase of capital per head of the capitalist classes is by no means so great as the increase of working class incomes.

I should wish farther to point out, however, that it is a mistake to speak of the income in the various schedules to the income tax as the income of a few, or exclusively of classes which can be called capitalist or rich. A suspicion of this has already been raised by the facts as to trades and professions. Let me just mention this one little fact in addition. Out of 190,000,000*l.* assessed under Schedule A in 1881-82, the sum of 11,359,000*l.* was exempted from duty as being the income of people whose whole income from all sources was under 150*l.* a-year. If we could get at the facts as to how the shares of public companies are held, and as to the immense variety of interests in lands and houses, we should have ample confirmation of what has already appeared from the probate duty figures, that there is a huge minority interested in property in the United Kingdom, great numbers of whom would not be spoken of as the capitalist classes.

To test the question as to whether there has been any disproportionate increase of capital, and of the income from it, in yet another way, I have endeavoured to make an analysis of the income tax returns themselves, distinguishing in them what appears to be the income of idle capital from income which is derived not so much from the capital itself as from the labour bestowed in using the capital. Only the roughest estimate can be made, and the data, when we go back to 1843, are even more incomplete than they are now; but I have endeavoured as far as possible to give everything to capital that ought to be given, and not to err on the side of assigning it too small a share. The whole of Schedule A is thus assigned to capital, although it is well known that not even in Schedule A is the income obtained without exertion and care, and some risk of loss, which are entitled to remuneration. In Schedule D also I have allowed that all the income from public companies and foreign investments is from idle capital, although here the vigilance necessary, and the risks attendant on the business, are really most serious, and part of the so-called profit is not really interest on idle capital at all, but strictly the remuneration of labour. I have also rather exaggerated than depreciated the estimate for capital employed in trades and professions, my estimate being rather more than that of Mr. Dudley Baxter in his famous paper on the National Income. With these explanations I submit

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the following estimate of the share of capital in the income tax income at different dates :—

Analysis of the Income Tax Returns for the undermentioned Years, showing the Estimated Income from Capital on the one side, and the Estimated Income from Wages of Superintendence and Salaries on the other side.

[In million of pounds, 000,000's omitted, *i.e.*, 10 = 10,000,000*l.*]

	1881.		1862.		1843.	
	From Capital.	From Salaries, &c.	From Capital.	From Salaries, &c.	From Capital.	From Salaries, &c.
Schedule A—						
Lands, tithes, &c., exclusive of houses	70,	nil	60,	nil	57,	nil
Messuages, &c.	117,	nil	62,	nil	41,	nil
Schedule B—						
Occupation of land	25,*	44,	22½,	38½,	20,	36,
Schedule C	40,	nil	29,	nil	29,	nil
„ D (Part I)	64,†	100,†	32,	49,	29½,	46½,
„ „ („ II)	91,	nil	47,	nil	12,	nil
„ E	nil	33,	nil	20,	nil	11,
	407,	177,	252½,	107½,	188½,	93½,

Note.—In the estimate for 1843 the figures assigned to Schedule A are only those of lands and tithes and houses to correspond with the existing Schedule A : and the figures of Schedule D include mines, quarries, railways, &c., now in Schedule D. An estimate is also made of the totals for Ireland, based on the returns of 1854, the total gross income under all the schedules thus estimated being about 30 million pounds.

* Interest on 500 millions of capital in 1881 at 5 per cent. In my paper on accumulations of capital, I estimated agricultural capital at a larger sum than this, but since then there has been some loss of agricultural capital, and if a larger sum were taken, the rate of interest used in the calculation for the present purpose should be less.

† Estimating that the income here is worth four years' purchase, and that it may be capitalised at that rate ; and then allowing that this capital earns 10 per cent., the rest being wages of superintendence or salaries.

This estimate may be summarised as follows :—

Summary of Analysis of Income Tax Income in undermentioned Years.

[In millions of pounds.]

Year.	From Capital.	From Salaries, &c.	Total.
	£	£	£
1843	188½	93½	282
'62	252½	107½	360
'81	407	177	584

Thus a very large part of the increase of the income tax income in the last forty years is not an increase of the income from capital

at all in any proper sense of the word. On the contrary, the increase in the income from capital is only about two-thirds of the total increase. This increase is, moreover, at a less rate than the increase of the capital itself, as appearing from the probate duty returns,* a point which deserves special notice. The conclusion therefore is, that the working classes have not been losing in the last fifty years through the fruits of their labour being increasingly appropriated to capital. On the contrary, the income from capital has at least no more than kept pace with the increase of capital itself, while the increase of capital per head, as we have seen, is very little; so that it may be doubted whether the income of the individual capitalist from capital has on the average increased at all. If the return to capital had doubled, as the wages of the working classes appear to have doubled, the aggregate income of the capitalist classes returned to the income tax would now be 800 instead of 400 millions. In other words it would not be far short of the mark to say that almost the whole of the great material improvement of the last fifty years has gone to the masses. The share of capital is a very small one. And what has not gone to the workman so-called, has gone to remunerate people who are really workmen also, the persons whose incomes are returned under Schedule D, as from "Trades and Professions." The capitalist as such gets a low interest for his money, and the aggregate return to capital is not a third part of the aggregate income of the country, which may be put at not less than 1,200 millions, and is, I should estimate, not much more than a fourth part.

It will be interesting I think to present these conclusions in the form of an account. We have not, as I have already said, an exact statement of aggregate earnings, either at the beginning or at the end of the period; but assuming the aggregate income of the people as about 1,200 millions now, and that the wages of working men are, per head, twice what they were, the aggregates in 1843 and at the present time would compare as follows:—

Progress of National Income.

[In millions of £'s]

	Income in 1843.	Income at Present Time.	Increase	
			Amount.	Per Cent.
	£	£	£	
Capitalist classes from capital...	190	400	210	110
Working income in income tax returns	90	180	90	100
Working income not in income tax returns	235	620	385	160
	515	1,200	685	130

* These returns, however, it should always be remembered, do not include real property.

Progress of National Capital Paying Probate Duty.

	1838.	Present Time.	Increase.	
			Amount.	Per Cent.
	£	£	£	
Amount of capital	55 mlns.	140 mlns.	85 mlns.	155
„ per estate	2,200	2,500	300	14

Note.—Increase of working income per head 100 per cent.

From this it appears that the increase of what is known as working class income in the aggregate is greater than that of any other class, being 160 per cent., while the return to capital and the return to what are called the capitalist classes, whether it is from capital proper or, as I maintain, a return only in the nature of wages, has only increased about 100 per cent., although capital itself has increased over 150 per cent. At the same time the capitalist classes themselves have greatly increased in number, so that the amount of capital possessed among them per head has only increased 15 per cent., notwithstanding the great increase in capital itself, and the average income per head can have hardly increased at all. On the other hand, as the masses of the nation, taking the United Kingdom altogether, have only increased about 30 per cent. since 1843, when these income tax figures begin, while their aggregate incomes have increased 160 per cent., it is explained how these incomes have gained, individually, about 100 per cent. as against hardly any increase at all in the incomes of what are called the capitalist classes, on the average. Thus the rich have become more numerous, but not richer individually; the "poor" are, to some smaller extent, fewer; and those who remain "poor" are, individually, twice as well off on the average as they were fifty years ago. The "poor" have thus had almost all the benefit of the great material advance of the last fifty years.

We may now conclude this long inquiry. It has been shown [illegible] I believe, that, while the individual incomes of the working [illegible] have largely increased, the prices of the main articles of their consumption have rather declined; and the inference as to their being much better off which would be drawn from these facts is fully supported by statistics showing a decline in the rate of mortality, an increase of the consumption of articles in general use, an improvement in general education, a diminution of crime and pauperism, a vast increase of the number of depositors in savings banks, and other evidences of general well-being. Finally, the

increase of the return to capital has not been in any way in proportion, the yield on the same amount of capital being less than it was, and the capital itself being more diffused, while the remuneration of labour has enormously increased. The facts are what we should have expected from the conditions of production in recent years. Inventions having been multiplied, and production having been increasingly efficient, while capital has been accumulated rapidly, it is the wages receivers who must have the benefit. The competition of capital keeps profits down to the lowest point, and workmen consequently get for themselves nearly the whole product of the aggregate industry of the country. It is interesting, nevertheless, to find that the facts correspond with what theory should lead us to anticipate.

The moral is a very obvious one. Whatever may be said as to the ideal perfection or imperfection of the present economic *régime*, the fact of so great an advance having been possible for the masses of the people in the last half-century is encouraging. It is something to know that whether a better *régime* is conceivable or not, human nature being what it is now (and I am one of those who think that the *régime* is the best, the general result of a vast community living as the British nation does, with all the means of healthy life and civilization at command, being little short of a marvel if we only consider for a moment what vices of anarchy and misrule in society have had to be rooted out to make this marvel); still, whether best or not, it is something to know that vast improvement has been possible with this *régime*. Surely the lesson is that the nation ought to go on improving on the same lines, relaxing none of the efforts which have been so successful. Steady progress in the direction maintained for the last fifty years must soon make the English people vastly superior to what they are now.

I should like to add just one or two remarks bearing on questions of the moment, and as to the desirability or possibility of a change of *régime* now so much discussed, which the figures I have brought before you suggest. One is, that apart from all objections of principle to schemes of confiscating capital,—land nationalisation, or collectivism, or whatever they may be called,—the masses could not hope to have much to divide by any such schemes. Taking the income from capital at 400 million pounds, we must not suppose that the whole of that would be divisible among the masses if capital were confiscated. What the capitalist classes spend is a very different thing from what they make. The annual savings of the country now exceed 200 million pounds, being made as a rule, though not exclusively, by the capitalist classes. If then the 400 million pounds were to be confiscated, one of two things would

happen: either the savings would not be made, in which case the condition of the working classes would soon deteriorate, for everything depends upon the steady increase of capital; or the savings would be made, in which case the spending power of the masses would not be so very much increased. The difference would be that they would be owners of the capital, but the income would itself remain untouched. The system under which large capitals are in a few hands may, in fact, have its good side in this, that the Jay Goulds, Vanderbilts, and Rothschilds cannot spend their income. The consequent accumulation of capital is, in fact, one of the reasons why the reward for labour is so high, and the masses get nearly all the benefit of the great increase of production. The other remark I have to make is that if the object really aimed at by those who talk of land nationalisation and the like is carried out, the people who will suffer are those who receive large wages. To effect what they intend, the agitators must not merely seize on the property of a few, they must confiscate what are as much earnings as those of a mechanic or a labourer, and the wages of the most skilled mechanics and artizans themselves. The agitation is, in fact, to level down, to diminish the reward of labourers who receive a large wage because they can do the work the community requires, the proof being that in a market without favour they get the wage, and to increase the reward of other labourers beyond what in the same free market the community would freely give them. Whether the production would be continued at all if there were any success in these attempts, common sense will tell us. Those who have done some hard work in the world will, I am sure, agree with me that it is only done by virtue of the most powerful stimulants. Take away the rewards, and even the best would probably not give themselves up to doing what the community wants and now pays them for doing, but they would give themselves up either to idleness or to doing something else. The war of the land nationalizer and socialist is then not so much with the capitalist as with the workman, and the importance of this fact should not be lost sight of.

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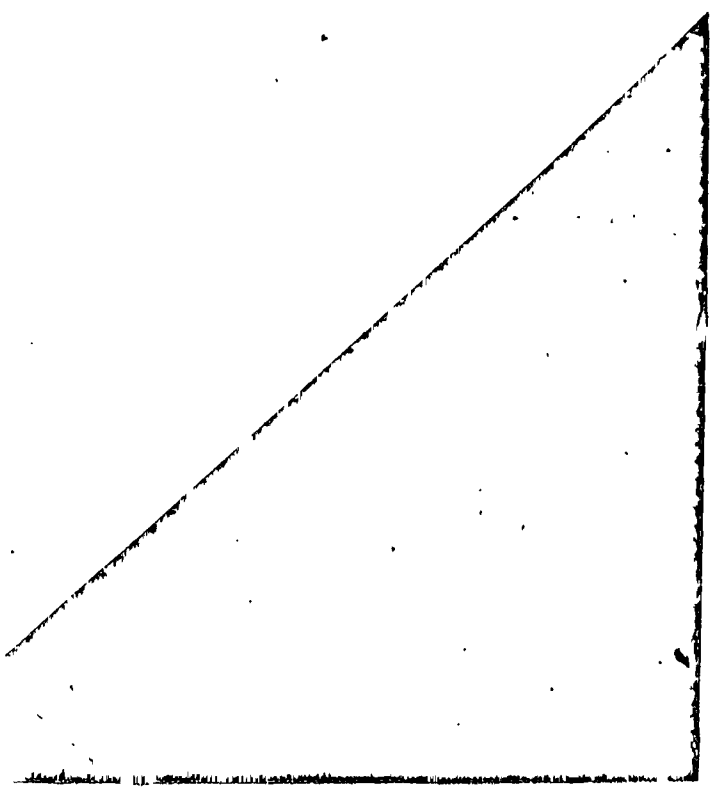

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